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Manager

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March 1, 2004

AZ CORP COMMISSION  
DOCUMENT CONTROL

Docket Control

Arizona Corporation Commission

1200 W. Washington

Phoenix, Arizona 85007

RE: DOCKET NO. E-01345A-97-0544, DECISION NO. 60481 and DECISION NO. 61708  
SEMI-ANNUAL REPORT ON TRANSFERS OF UTILITY PROPERTY

Dear Sir/Madame:

In accordance with Decision No. 61708, Arizona Public Service Company ("APS") submits its semi-annual report summarizing sales, transfers or mortgages entered into under Decision 60481. This report reflects the balance of these transactions, including accrued interest through December 31, 2003.

All funds accrued from these sales will be utilized for funding of programs that will directly benefit customers, such as public education programs, as directed and approved by the Commission Staff in accordance with Decision No. 61708.

If you have any questions, please contact me at 250-2310.

Sincerely,

Jana Van Ness  
Manager  
Regulatory Compliance

JVN/srm

Attachments

CC: Docket Control (Original plus 13 Copies)

Arizona Corporation Commission

DOCKETED

MAR - 1 2004

DOCKETED BY

ARIZONA PUBLIC SERVICE COMPANY  
CALCULATION OF GAINS ON UTILITY PROPERTY  
January - December 2003

DATE OF TRANSFER	DESCRIPTION OF PROPERTY	SALES PRICE	OCID	BOOK GAIN ON SALE	TAX BASIS OF PROPERTIES	TAXES (1,2)	NET GAIN	ACC NET GAIN (3)	AMOUNT ALLOCATED FOR RATEPAYERS (4)	INTEREST TO DATE (5)	BALANCE TO BE REFUNDED
03/05/2003	City of Florence	\$207,000	\$131,517	\$75,483	\$68,571	\$29,899	\$45,584	\$45,584	\$22,792	\$268	\$23,060
Total for 2003 YTD:											
	Previous Balance						\$45,584		\$22,792	\$268	\$23,060
	Ratepayer Balance										\$63,911
	Customer Education Program										\$86,971
	Total Balance for 2003 YTD										\$0
											\$86,971

(1) [(Sales Price less Tax Basis)\*Tax Rate]-[(ADIT Net Book Basis-Tax Basis)\* Tax Rate]

(2) Tax Rate = .3961

(3) Jurisdictional allocation of Net Gain

(4) Amount Allocated for Ratepayers based on 50% of jurisdictional split.

(5) Interest from Date of Transfer through December 31, 2003

ARIZONA PUBLIC SERVICE COMPANY  
CALCULATION OF GAINS ON UTILITY PROPERTY  
July - December 2002

DATE OF TRANSFER	DESCRIPTION OF PROPERTY	SALES PRICE	OCID	BOOK GAIN ON SALE	TAX BASIS OF PROPERTIES	TAXES (1,2)	NET GAIN	ACC NET GAIN (3)	AMOUNT ALLOCATED FOR RATEPAYERS (4)	INTEREST TO DATE (5)	BALANCE TO BE REFUNDED
08/19/02	City of Eloy	\$347,000	\$137,325	\$209,675	\$71,666	\$84,646	\$125,029	\$125,029	\$62,515	\$1,396	\$63,911
Total for 2002 YTD:											
Previous Balance							\$125,029		\$62,515	\$1,396	\$63,911
Ratepayer Balance											\$0
Customer Education Program											\$63,911
Total Balance for 2002 YTD											<u>\$0</u>
											<u>\$63,911</u>

(1) [(Sales Price less Tax Basis)\*Tax Rate]-[(ADIT Net Book Basis-Tax Basis)\* Tax Rate]

(2) Tax Rate = .4037

(3) Jurisdictional allocation of Net Gain

(4) Amount Allocated for Ratepayers based on 50% of jurisdictional split.

(5) Interest from Date of Transfer through December 31, 2003.